

Message Text

LIMITED OFFICIAL USE

PAGE 01 LISBON 03872 091659Z

65

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 SAM-01 /056 W

----- 113495

R 091617Z JUL 75

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 3366

LIMITED OFFICIAL USE LISBON 3872

E.O. 11652: N/A

TAGS: BGEN, PO

SUBJ: U.S. BUSINESSMEN'S GROUP MEETING

REF: LISBON 2570

1. REGULAR MONTHLY MEETING OF U.S. BUSINESSMEN'S GROUP HELD
JULY 8 WITH AVERAGE ATTENDANCE.

2. BUSINESSMEN CONTINUE TO BE PESSIMISTIC ABOUT POLITICAL,
ECONOMIC SITUATION IN PORTUGAL. PRODUCTION AND PRODUCTIVITY
CONTINUES AT LOW LEVELS, MOST FIRMS ARE OPERATING AT A LOSS,
AND MANY PARENT FIRMS REFUSE TO SEND NEW FUNDS INTO PORTUGAL.
BUSINESSMEN EXPRESSED HEIGHTENED CONCERN ABOUT POSSIBILITY OF
DEVALUATION, ESPECIALLY IN VIEW OF PRESS REPORTS OF A LARGE
SPREAD BETWEEN OFFICIAL AND MARKET RATES IN SPAIN AND REPORTED
DROP IN VALUE OF ESCUDO IN NEW YORK. A MORE SPECIFIC CONCERN
IS NEW COMPLEMENTARY TAX REGULATIONS WHICH CALL FOR COMPLETE
ACCOUNTING OF ALL PERSONAL ASSETS, WHETHER LOCATED INSIDE OR
OUTSIDE OF PORTUGAL. WHILE DETAILS OF REGULATIONS NOT YET
PUBLISHED, BUSINESSMEN FEAR THEY WILL BE APPLIED TO FOREIGNERS
RESIDENT IN PORTUGAL. EMBASSY IS CHECKING.

3. SEVERAL BUSINESSMEN EXPRESSED CONVICTION THAT MANY FIRMS
WILL NOT BE ABLE TO MEET SALARY AND VACATION BONUS OBLIGATIONS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LISBON 03872 091659Z

AT END OF JULY. MOST FIRMS ARE OBLIGED PAY TWO MONTHS' SALARY

WHILE SOME WILL OWE THREE MONTHS AT THAT TIME. COMMENT:
PORTUGUESE FIRMS WILL HAVE TO BE BAILED OUT BY GOP LOANS OR
SERIOUS LABOR PROBLEMS WILL RESULT. U.S. FIRMS IN THIS POSITION
MAY FOLD IF PARENTS DO NOT PROVIDE FUNDING. SHOULD THIS BE CASE,
GOP WILL BE PUT IN DIFFICULT POSITION OF LENDING FUNDS, INTER-
VENING IN SOME MANNER IN FOREIGN FIRMS, OR ALLOWING UNEMPLOY-
MENT. END COMMENT

4. THERE WAS SUBSTANTIAL INTEREST IN TORRINGTON CASE, SEVERAL
BUSINESSMEN NOTING THAT OUTCOME OF THIS CASE IS BEING WATCHED
CAREFULLY IN ORDER TO GAUGE GOP ATTITUDE TOWARDS FOREIGN IN-
VESTMENT. REPRESENTATIVE OF TORRINGTON U.S. GAVE HIGH MARKS
TO USG ASSISTANCE.
CARLUCCI

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 09 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LISBON03872
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750237-0854
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750773/aaaacnjj.tel
Line Count: 75
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 LISBON 2570
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 11 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 JUN 2003 by ifshinsr>; APPROVED <23 DEC 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: U.S. BUSINESSMEN'S GROUP MEETING
TAGS: BGEN, PO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006